WELSPUN CORP
PIPES AND PLATES

WCL/SEC/2021 **July 26, 2021**

To,
The General Manager
Department of Corporate Services
BSE Limited
P.J. Towers, Dalai Street,
Mumbai— 400 001

BSE Scrip Code: 532144

Dear Sir

Application No. 132810 under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR Regulations') for the proposed Scheme of Arrangement between Welspun Steel Limited (the 'Demerged Company') and Welspun Corp Limited ('the Company' or 'the Resulting Company') and their respective shareholders ("Scheme").

This has reference to your email received on July 20, 2021 requesting to provide the additional documents/ details.

In this regard, we hereby furnish the following documents/ details: -

Sr. No.	Documents/ details	Response
1.	It has been observed that face value is not mentioned in the scheme for the capital of the demerged company. Kindly rectify the same in the scheme.	Certified copy of the draft Scheme after mentioning the face value of the issued, subscribed and paid-up share capital of the Demerged Company is annexed as **Annexure 1**.
2.	Whether the preference shares are convertible or non-convertible. Kindly highlight the same in the scheme or provide the clarification letter for the same.	Preference shares proposed to be issued pursuant to the Scheme are redeemable and non-convertible.
3.	On interface, Preference share capital is incorrect. Kindly rectify the same.	This was an inadvertent typographical error. Certified copy of the draft Scheme after rectifying the preference share capital of the Demerged Company is annexed as **Annexure 1.**
4.	Covering letter as per the format prescribed on BSE Website.	Covering letter as per the format prescribed on BSE Website is annexed as **Annexure 2.**

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E-mail : companysecretary_wcl@welspun.com Website : www.welspuncorp.com
Registered Address: Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat 370 110, India.
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Corporate Identity Number: L27100GJ1995PLC025609

5.	Shareholding pattern of all the companies pre and post Amalgamation / Arrangement as per the format provided under Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (with PAN & without PAN Nos.). Please provide for all the companies.	Shareholding pattern as per the format provided under Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 - for pre and post Scheme of the Demerged Company and the Resulting Company with PAN is annexed as **Annexure 3**. Shareholding pattern as per the format provided under Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 of the Demerged Company and the Resulting Company without PAN Nos. is annexed as **Annexure 4**.
6.	Audited financials of the transferee/resulting and transferor/demerged companies for the last 3 financial years (financials not being more than 6 months old) as per Annexure IV. Please note that for existing Listed Company, provide the last Annual Report and the audited / unaudited financials of the latest quarter (where it is due) accompanied mandatorily by the Limited Review Report of the auditor.: Submit audited statements report for both the Companies by the auditor.	Audited financials of the Demerged Company and the Resulting Company for the last 3 financial years are annexed as **Annexure 5** and **5A** respectively The audited financial statements of the Demerged Company along with the auditor's report is annexed as **Annexure 6** The last Annual Report and the audited / unaudited financials of the latest quarter accompanied mandatorily by the Limited Review Report of the auditor of the Resulting Company is annexed as **Annexure 7**.
7.	If pursuant to scheme the allotment of shares is proposed to be made to a selected group of shareholders or to the shareholders of unlisted companies, pricing certificate from the Statutory Auditor of the listed company as per Proviso of SEBI ICDR Regulations. Kindly Clarify.	Please refer to **Annexure 8** for clarification.
8.	Detailed Compliance Report as per the format specified in Annexure IV of SEBI circular dated March 10, 2017 duly certified by the Company Secretary, Chief Financial Officer and the Managing Director, confirming compliance with various regulatory requirements specified for schemes of arrangement and all accounting standards (format attached as Annexure VI): Last paragraph not as per format.	**Annexure 9**
9.	If as per the company, approval from the Public shareholders through e-voting, as required under Para	Approval from the public shareholders for the Scheme

	(I)(A)(9)(a) of Annexure I of SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017, is not applicable then as required under Para (I)(A)(9)(c) of said SEBI circular, submit the following: Kindly confirm the same.	through e-voting, as required under Para (I)(A)(9)(a) of Annexure I of SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 will be obtained. Therefore, this requirement is not applicable.
10.	Brief details of the transferee/resulting and transferor/demerged companies as per format enclosed at Annexure VIII.: Second Method.	**Annexure 10**
11.	Networth certificate (excluding Revaluation Reserve) together with related workings pre and post scheme for the transferee and / or resulting company: Submit for transferor company. Attach for both the companies.	Networth certificate (excluding Revaluation Reserve) together with related workings pre and post scheme for the Resulting Company is annexed at **Annexure 11**. Networth certificate (excluding Revaluation Reserve) together with related workings pre and post scheme for the Demerged Company is annexed at **Annexure 12**.
12.	Confirmation by the Managing Director/ Company Secretary as per format enclosed as Annexure XI.: Submit as per latest format.	**Annexure 13**
13.	Statutory Auditor's Certificate confirming the compliance of the accounting treatment etc. as specified in Para (I)(A)(5)(a) of Annexure I of SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as per the format given in Annexure II of aforesaid SEBI circular. Format given in Annexure V: Conclusion part not as per format.	The statutory auditor certificate (including the conclusion paragraph) captures the contents as specified in Para (I)(A)(5)(a) of Annexure I of SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as per format given in Annexure II of the aforesaid circular. The certificate from the Statutory Auditor is annexed as **Annexure 14**
14.	Shareholding pattern of all the Companies pre and post Amalgamation / Arrangement in Word Format as given in Annexure II: Pre shareholding figures of promoters not matching with interface for Demerged Company.	**Annexure 15**
15.	Brief details of the Board of Directors and Promoters of transferee/resulting and transferor/demerged companies as per format enclosed at Annexure IX: Here Promoter and Director figures should match as per shareholding pattern, brief particular and Ann IX. Also quantify no of preference shares issued.	**Annexure 16**
16.	If there are any pending dues / fines / penalties imposed by SEBI, Stock Exchanges and Depositories, submit a 'Report on the Unpaid Dues' which shall contain the details of such unpaid dues in the format given in	**Annexure 17**

	Annexure B of SEBI circular, SEBI/HO/CFD/DIL1/CIR/P/2019/192 dated September 12, 2019 which is also attached as Annexure XV [Note: In case there are no pending dues as mentioned above, please confirm the same]. Document is not dated.	
17.	Following undertaking to be submitted by listed company: - (i) Undertaking that the transferee entity will not issue/reissue shares not covered under the draft scheme. : To be confirmed by Listed company. (ii) Undertaking that as on date of application there are no outstanding Warrants/instruments/agreements which give right to any person to take the equity shares in the transferee entity at any future date: To be confirmed by listed company.	**Annexure 18**
18.	Report from the Committee of Independent Directors recommending the draft scheme taking into consideration, inter alia, that the scheme is not detrimental to the shareholders of the listed entity, as per Para (A)(2)(i) of Part I of SEBI Master Circular: Not submitted 20.	**Annexure 19**
19.	Submit Scheme Demerger documents as per checklist.	The additional documents as per the checklist are required to be submitted only in case of schemes of demerger wherein a division of a listed company is hived off into an unlisted company or where listed company is getting merged with an unlisted company. In the instant case, a division of an unlisted company is hived off into a listed company. Therefore, the additional documents as per checklist are not required to be submitted.
20.	Valuation report from Independent Chartered Accountant as applicable as per Para I(A)(4) of Annexure I of SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017. The valuation report shall be as per the format given in Annexure I: Share working in computation of Share Entitlement ratio by RBSA Valuation Advisors LLP and Dhrushti Desai. Also share working of table 4.13 of valuation report by Drishti Desai. Further confirmation that valuer is independent. Investments in equity shares of WSSL and WCPGL into WCL (Please provide clarification of same for mention of this in the scheme). Appointment in terms of SEBI circular for both valuers in the valuation certificate. In valuation of WSL Investee Companies it is mentioned that market approach is used whereas same is	**Annexure 20 and Annexure 20A**

	not observed in share entitlement ratio table. Reference of investment of Investee companies into WCL in Scheme. Seek valuation report of TPG & Co. Income approach not disclosed in valuation report of Drishti Desai for Valuation of Steel business of WSL.	

Separately, please note that, basis the discussion with the creditors, the Business Restructuring Committee of the Resulting Company / Welspun Corp Limited and the Board of Directors of the Demerged Company / Welspun Steel Limited have proposed modifications in Clause 5.8 of the Scheme.

For ease of reference, the modifications undertaken are as under:

5.8 In so far as assets comprised in the Demerged Undertaking of the Demerged Company are concerned, the security, existing charges, mortgages and encumbrances, if any, over or in respect of any of such assets or any part thereof or charge over such assets relating to any loans or borrowings of the Demerged Company which are not transferred to the Resulting Company shall, without any further act or deed (other than the consent of the relevant lenders), be released and discharged from the same and shall no longer be available as security. Further, upon coming into effect of this Scheme, ~~shall not operate to enlarge the security for~~ any loan, deposit or facility availed by both, the Demerged Company in respect of the Demerged Undertaking and by ~~on the assets on~~ the Resulting Company ~~(except for the assets of the Demerged Undertaking that will vest in the Resulting Company pursuant to the Scheme)~~ shall have security, charge and / or mortgage extended over the assets / class of assets of the Resulting Company (including the assets forming part of the Demerged Undertaking) as under:

- *Working capital shall be secured by 1st pari-passu charge on all the current assets and 2nd pari-passu charge on all the fixed assets in line with the existing charge in favour of existing lenders.*
- *Term loan facilities shall be secured by 1st pari-passu charge on all the fixed assets.*

Such security, charge and / or mortgage shall be deemed to be carried out as an integral part of this Scheme without any further act or deed on the part of the Resulting Company.

Further, based on the feedback received from the National Stock Exchange of India Limited, following modifications are proposed in Clause 4.1, Clause 11.2 and Clause 11.3 of the Scheme.

For ease of reference, the modifications undertaken are as under:

4.1 <u>The Demerged Company:</u>

The authorized, issued, subscribed and paid-up share capital of the Demerged Company as on March 31, 2021 is as under:

Particulars	***No. of Shares***	***Amount in INR***
<u>Authorized Capital</u>		
Equity Shares (Face Value of Rs. 10/- each)	*76,07,60,000*	*760,76,00,000*
Preference Shares (Face Value of Rs. 10/- each)	*30,53,00,000*	*~~30,53,00,000~~*

		305,30,00,000
Total		***1066,06,00,000***
Issued, Subscribed and Paid-up		
Equity Shares of Rs. 10 each fully paid-up	*44,78,13,359*	*447,81,33,590*
Total		***447,81,33,590***

Subsequent to the above date and till the date of the Board meeting of the Demerged Company for approval of the Scheme, there is no change in the issued, subscribed and paid-up capital of the Demerged Company.

11.2 Incase if the eligible shareholders cannot be allotted CRPS due to any regulatory constraints, then the Resulting Company shall, subject to applicable regulations, pay cash equivalent to the face value of the CRPS proposed to be issued to such shareholder as per Clause 11.1 above (after deducting such taxes as may be applicable). For this purpose, if considered necessary, the Resulting Company shall allot the CRPS to the trustee (to be appointed by the Board of Directors of the Resulting Company), which shall take steps to sell / transfer the same and make payment to the shareholders (after deducting such taxes as may be applicable).

11.3 If any shareholder of the Demerged Company becomes entitled to any fractional shares, entitlements or credit on the issue and allotment of shares by the Resulting Company in accordance with this Scheme, the Board of the Resulting Company shall consolidate all such fractional entitlements and shall, without any further application, act, instrument or deed, issue and allot such consolidated shares directly to an individual trust or a board of trustees or a corporate trustee or a SEBI registered merchant banker nominated by the Resulting Company (the "Trustee"), who shall hold such shares with all additions or accretions thereto in trust for the benefit of the respective shareholders, to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such shares ~~in the market~~ to any buyer(s) at such price or prices, and on such time or times within 60 (sixty) days from the date of allotment, as the Trustee may in its sole discretion decide and on such sale, pay to the Resulting Company, the net sale proceeds (after deduction of applicable taxes and costs incurred) thereof and any additions and accretions, whereupon the Resulting Company shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of the Demerged Company in proportion to their respective fractional entitlements.

We request you to take the above on the record and oblige. If you require any further clarifications/information, we would be happy to provide the same.

We request you to kindly grant you approval to the Scheme at your earliest.

Thanking you.
Yours Faithfully,

For **Welspun Corp Limited**

Pradeep Joshi
Company Secretary and Compliance Officer
FCS-4959

Enclosed. As above